

## **CITY OF GARDNER'S 2007 LEGISLATIVE AGENDA**

### **State Issues**

The following is the City of Gardner's legislative agenda for 2006:

1. **Home Rule and Local Control** --The governing of public affairs should remain accessible to citizens. Preservation of constitutionally granted home rule authority as it exists today is essential to effective and responsible local self-government. Locally elected officials are in the best position to make decisions of community concern and are most accountable for those decisions. The City of Gardner opposes legislation that would directly or indirectly limit the constitutionally granted home rule authority of cities. This includes:
  - a. Annexation -- allowing cities to grow is inherent to the ultimate success of communities in Kansas. Cities long have held the power of annexation to foster their orderly development. Under certain circumstances, cities are allowed to conduct unilateral annexations that do not require the approval of the county in which the city is located. These unilateral annexation powers have served the State and its municipalities well. The City of Gardner has responsibly used those powers over the years to achieve the long-term public interest of the entire community in which it exists. The 2005 legislature greatly increased the opportunity for judicial review of the reasonableness of unilateral annexations and the adequacy of service plans for the area. The City believes these changes in law should be sufficient to address concerns of landowners in annexed areas. Therefore Gardner supports the currently established State statutes and opposes any changes that limit the authority of cities to grow.
  - b. Eminent domain – is a fundamental authority for municipalities. The authority to acquire property through condemnation proceedings is critical for public improvements as well as sound economic development policy. The City believes meaningful protections exist in current statutes safeguarding landowner's rights in such proceedings.
  - c. Support Home Rule Authority to Impose Development Related Fees -- Gardner supports the existing home rule authority for cities to impose development fees to ensure that development pays for itself without having to resort to increased property taxes. The excise tax is one development fee that gives cities the flexibility to fund significant infrastructure improvements associated with growth. Without an excise tax, cities would be forced to raise the property and other taxes to support growth. Currently, monies received from development fees cover only a portion of the cost for which the fees are imposed and do not endeavor to recover 100% of the cost for development.
  - d. Transportation Development Districts – The City supports the continues ability of cities to establish transportation development districts in order to provide for the transportation infrastructure needs in the community.

- e. Spending and Tax Lids -- The City opposes any state-imposed taxing and spending lids. Local taxing and spending decisions are best left to local officials and the citizens they serve.
  - f. Unfunded Mandates --The imposition of state mandates and programs on local governments without accompanying state funding is contrary to the spirit of constitutional home rule. Any function or activity mandated by the state upon local governments should be fully and continuously funded by the state.
  - g. State Revenue Sharing- Support reinstatement of state-local revenue sharing programs at statutorily required levels, and oppose further reduction in sharing of other state tax revenue with units of local government. Specifically support legislation which reinstates the Local Ad Valorem Tax Reduction (LAVTR) program.
  - h. One-Call – The City of Gardner supports the inclusion of municipal utilities in the state one-call system on a voluntary basis.
2. **Prompt Pay** – The City of Gardner does not support legislation that removes the ability for the City to set a retainage on public construction contracts.
3. **Transportation Funding** --The Legislature should continue the funding commitment to the \$13.2 billion 1999 Comprehensive Transportation Program, including the transfer of a portion of the state sales tax dedicated to the highway fund. By maintaining the transportation infrastructure, the State of Kansas and its local governments will benefit from the economic development opportunities that come with a well-maintained transportation system.
- Additionally, the Legislature should see that Special Highway revenues continue to be handed down to municipalities to ensure that local roadways as well as state roadways are receiving adequate dollars for ongoing maintenance and repair. The City of Gardner opposes legislation that would reduce the sharing of motor fuel tax revenue with local units of government.
  - The City of Gardner is also requesting specific support for any and all transportation provisions necessary for an additional interchange to be located on I-35 that would support traffic from the new BNSF Logistics and Intermodal Park. The City would also request assistance in relocation of the I-35 weigh station located north of exit 210.
  - Finally, the City of Gardner supports planning for a new comprehensive transportation program that would begin in 2009.
4. **Management of Public Right-of-Way**—The last decade has brought major changes to telecommunications services, transforming the technology and industry. State laws will need to be adjusted to reflect this change. As these changes are made the essential role, responsibilities, and the rights of local governments must be maintained. Changes to state and federal telecommunications laws should reaffirm local jurisdictions' authority to manage their public rights-of-way, allow local jurisdictions to set fair compensation for use of the rights-of-way, and allow local governments to provide to its citizens essential telecommunication services.

Additionally, voice services that are provided via cable lines should be treated in the same way as telephone voice services with respect to the public rights-of-way and franchise fees.

5. **Destination Based Sales Tax** – Gardner and many other communities have benefited from the change to destination based taxation. It is a proper distribution of the money and creates a way to tax Internet sales. This is one of the State's and local governments most significant form of revenue and it needs to be protected. The City of Gardner maintains that local officials and their residents should determine local sales tax and use rates and opposes any legislation that would preempt local authority to set these rates.

State and municipal governments rely heavily on sales tax revenue to provide public services. Although residents making on-line purchases receive these services, they do not share equally in the cost. Unequal taxing of remote sales creates an unfair pricing advantage for on-line retailers. Nationwide implementation of the destination based sales tax will level the playing field between on-line and "main street" businesses. We believe the State should continue efforts promoting the collection of sales taxes while minimizing the burden on companies.

The Compensating Use Tax expanded by the Streamlined Sales Tax Act has also become an important revenue source for local governments. The Compensating Use Tax helps offset the loss in City income created when sales tax proceeds were shifted from point of sale to point of delivery. This essential revenue source should be maintained as a part of destination based sales.

6. **STAR Bonds Renewal** – The City of Gardner supports reauthorization of Sales Tax Revenue Bonds or STAR Bond Authority, which provides local governments with a valuable economic development tool. Gardner encourages amendments separating STAR Bonds, TIF and Bioscience district procedures in the current statutes to provide better clarification while maintaining flexibility to provide Kansas with powerful economic impact tools.
7. **Personal Property Tax Slider for Machinery and Equipment Tax** – Gardner supports an amendment to the slider provision included in the 2006 personal property tax exemption legislation, which was intended to soften the impact of the revenue loss to local governments created by the exemption by reimbursing cities a portion of the actual loss each would experience over the five year period. Instead, the language that was enacted erroneously based reimbursement on the percentage of each city's mill levy to the total mill levies in their county, which bears no relationship to the actual loss experienced by each city.
8. **Open Meetings and Open Records—** All levels of government should be subject to the same open meetings and open records requirements. These laws should not be unduly burdensome. State open records laws should balance the public's right of access with the necessity of protecting the privacy of individual citizens and the ability of public agencies to conduct their essential business functions. The statutorily required sunset for all exemption of the Kansas Open Records Act is impractical and should be removed.

9. **Address Adequate Funding and Reforms to State Mandated Local Pension Plans**—The local KPERS system should remain separate from state and school retirement systems. The system should accumulate sufficient assets during members' working lifetimes to pay all promised benefits when members retire. The City of Gardner supports achieving a fully funded public employees retirement system within a reasonable period of time and while remaining separate from state and school retirement systems.

Recognizing the importance of attracting and retaining quality employees who choose to make public service as career, the City of Gardner additionally supports strengthening KPERS by implementing such improvements as eliminating the one-year waiting period, shortening vesting periods, and adding defined contribution components.

10. **International Codes for Government, Public, Residential and Commercial Buildings** --The City of Gardner supports the Kansas Heart of America Chapter, ICC efforts in recommending the adoption of the International Codes for all government and public buildings, residential and commercial.

11. **Property Tax on Aircraft Nexus** – The City of Gardner supports any change in state statutes that will allow aircraft personal property tax to be given to the community where the aircraft is housed.

12. **Infrastructure Funding** – The City of Gardner supports increased state funding to assist local communities with their water and wastewater infrastructure and associated security needs.

13. **Clean Air** – Gardner supports air quality controls which protect the health and safety of the community while allowing for orderly economic development.

14. **Franchise Authority** - Gardner opposes any legislation that restricts the current franchise authority for cities.

15. **Statutory Notice Requirements** – Last year the City of Gardner had average of 500 unique visitors a day to its website and 78% have in-home access to the internet. With access to the internet available to all residents either at work, home or at the library, the City supports legislations that would allow municipalities to meet official legal publication requirements through use of the City's official website.

The City spends over \$20,000 a year on legal publications in newspapers that have limited circulation and that are read by only a small portion of the public. Gardner would recommend publication in the local newspaper of a title of the item that will be published in full on the City's website. This would offer residents will two mediums of notice and a savings to the City's residents for publication.

16. **Investment of Public Funds** – City of Gardner supports legislation allowing local units of government to place idle funds with institutions that have either a state or federal charter. Current law limits local units of government to dealing only with financial institutions chartered in the State of Kansas. While such a requirement

may have been workable years ago, the reality of the global economy has greatly reduced the number of state-chartered institutions in the financial services industry. Kansas is the only state in the nation with this requirement.

This artificial investment barrier for local governments does not protect the best interests of the taxpayer. The State of Kansas recognized the imprudence of limiting itself to state-chartered institutions, and no longer subjects itself to this limitation.

Allowing cities to work with nationally chartered financial institutions would increase competition for the use of taxpayer dollars. Increased competition would aid efforts to maximize interest earnings on idle funds, improving cities' revenue situations and helping offset the need for property tax increases.

Modernizing the statute would also provide an economic buffer to local governments. The U.S. economy often experiences slowdowns differently in different regions. A financial institution in one region may have its need for loan funds drop off while financial institutions outside that region still have steady loan demands. By allowing financial institutions outside of Kansas to bid, local governments can benefit from the greater level of competition. This diversity among financial institutions holding local governments' funds also helps minimize credit risks.